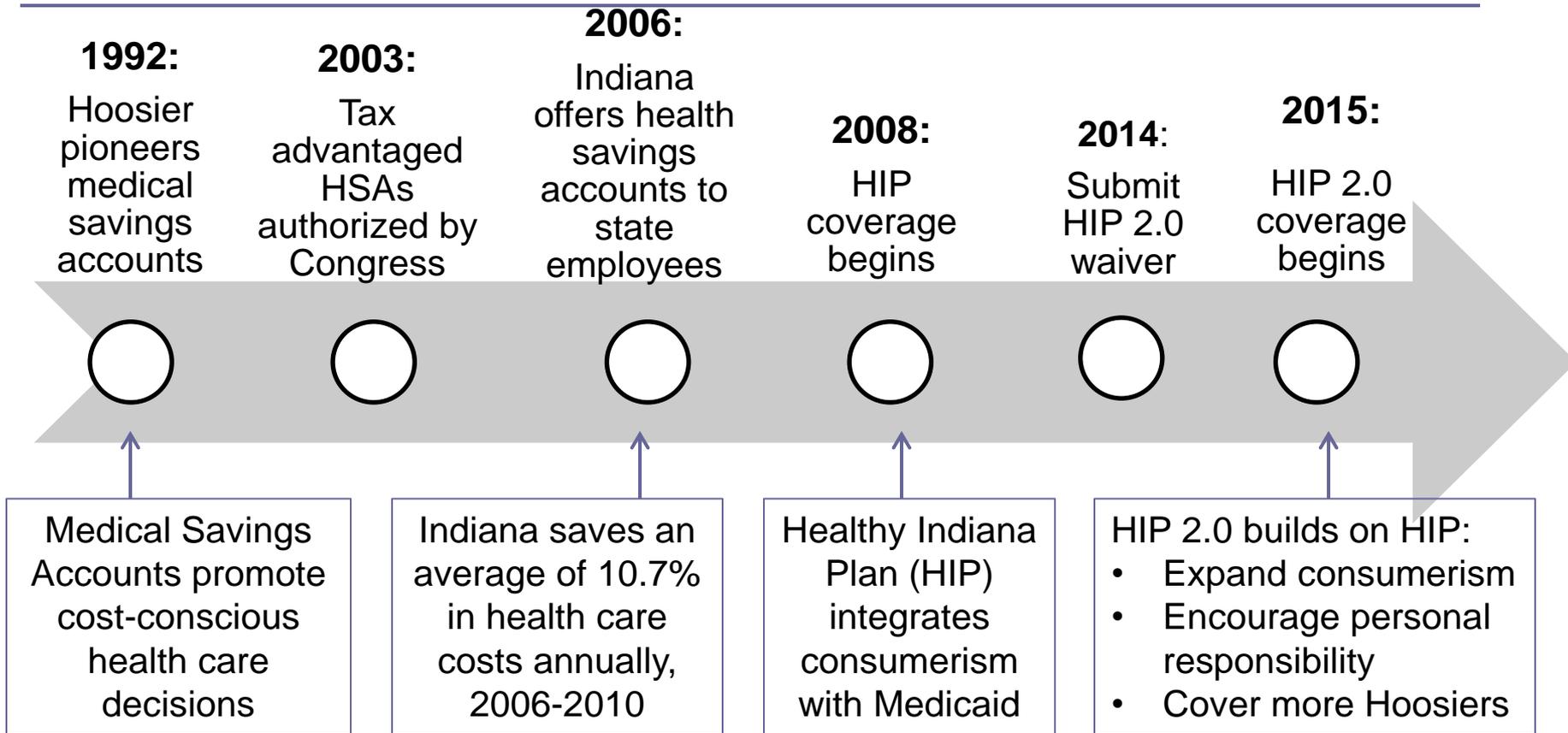




Healthy Indiana Plan 2.0

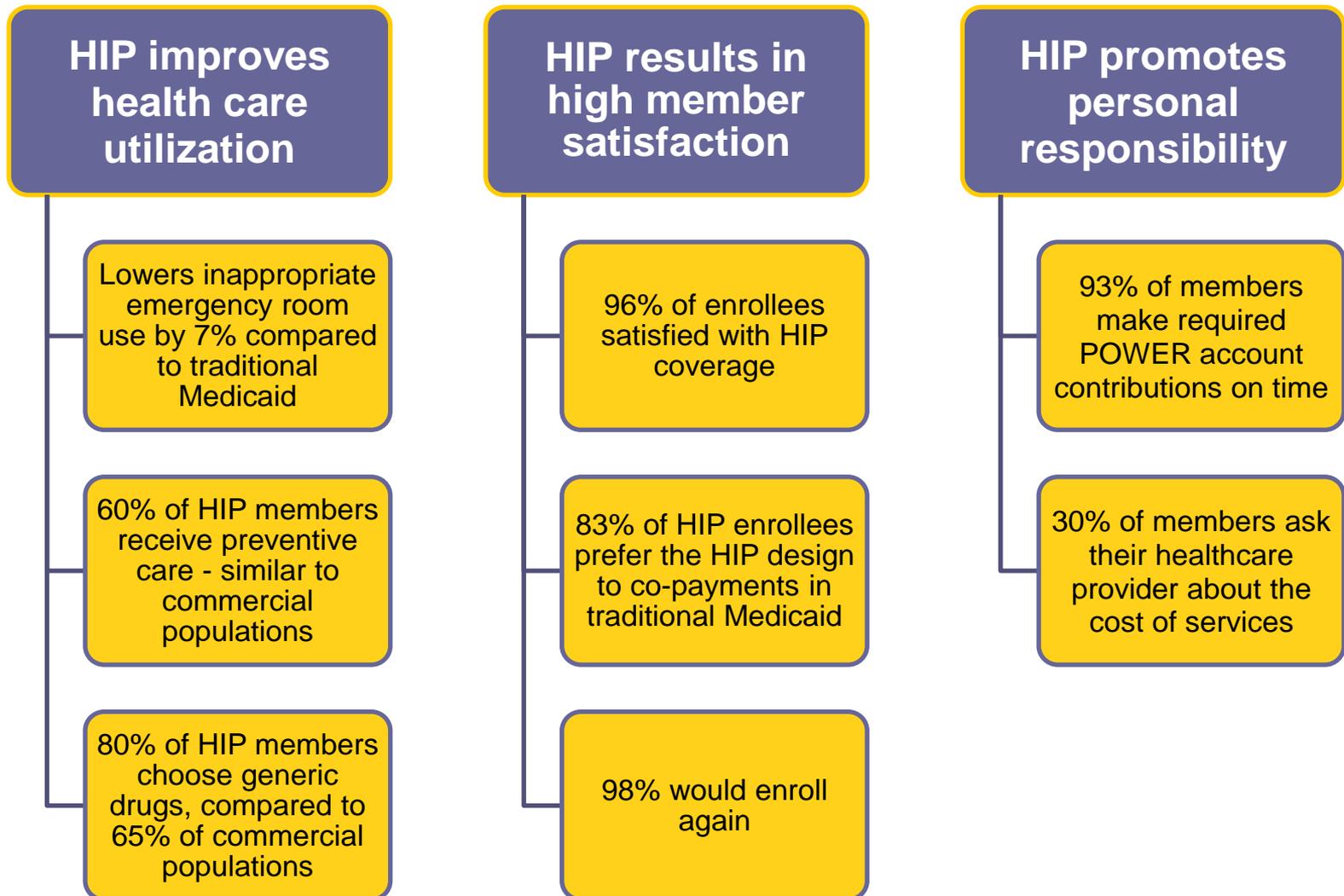


Hoosier Innovation: Health Savings Accounts



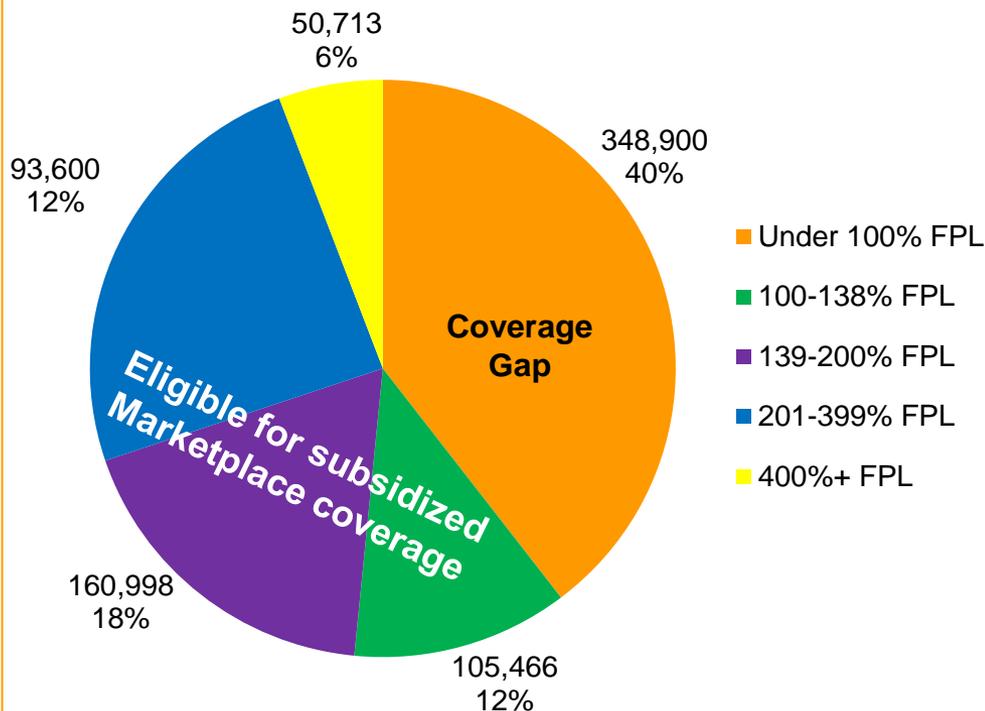
**In 2013, 420,000 Hoosiers were enrolled in HSAs.
This represents 9% of insured individuals –
higher than the national average.**

HIP Success



State of the Uninsured in Indiana

Uninsured Hoosiers, 2010¹



TOTAL UNINSURED = 881,291

How do the Federal Poverty Levels translate to annual income? - 2013

FPL ²	Individual	Family of 4
Under 100%	< \$11,490	< \$23,550
100-138%	\$11,490-15,970	\$23,550-32,734
139-200%	\$15,971-23,094	\$32,735-47,335
201-399%	\$23,095-45,959	\$47,336-94,199
400%+	> \$45,960	> \$94,200

Indiana Uninsured: 13.6% in 2010

1. SHADAC Health Insurance Analysis. (2011). American Community Survey data. Retrieved from www.nationalhealthcare.in.gov.
 2. Office of the Assistant Secretary for Planning and Evaluation. (2013). 2013 Poverty Guidelines. Retrieved from <http://aspe.hhs.gov/poverty/13poverty.cfm>.

HIP 2.0 Structure

- ✓ **Replaces traditional Medicaid for non-disabled adults**
- ✓ **Three pathways to coverage**
 - **HIP Link:** *NEW* defined contribution plan that helps pay for employer-sponsored health insurance
 - **HIP Plus:** Current program with enhanced benefits including dental and vision
 - Reduced non-payment lock-out period: 6 months instead of 12 months
 - Only option for individuals above 100% FPL
 - **HIP Basic:** Allows individuals below 100% FPL who do not make POWER account contributions to maintain coverage

New Affordable Contributions

HIP 2.0 POWER Account Contributions

FPL	Monthly Income Single Individual	Monthly Contribution
<22%	\$214	\$3
23%-50%	\$224 to \$487	\$8
51%-100%	\$496 to \$973	\$15
101%-138%	\$983 to \$1,342	\$25

- ✓ Employers & Foundations may assist with contributions

HEALTHY INDIANA PLAN VERSION 2.0



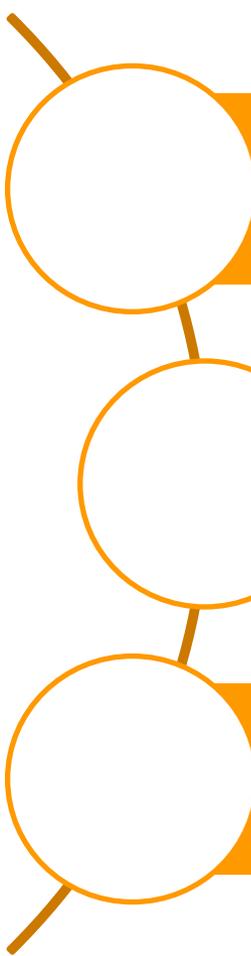
HEALTHY INDIANA PLANSM
Health Coverage = Peace of Mind



HIP Plan Comparison

	HIP Link	HIP Plus	HIP Basic	Medically Fragile
Covered Groups	<ul style="list-style-type: none"> Optional for individuals with access to cost-effective employer-sponsored insurance Exception: Medically fragile 	<ul style="list-style-type: none"> Income up to 138% FPL Consistent POWER account contributions 	<ul style="list-style-type: none"> Income below 100% FPL Fail to make POWER account contribution 	<ul style="list-style-type: none"> High cost individuals including substance abuse & significant mental health issues Very low income parents Pregnant women
Cost-sharing	Enhanced POWER account can be used for premiums, co-payments, or deductibles	POWER account contributions No Other Co-payments, except: <ul style="list-style-type: none"> Non-emergency ED visit: \$25 	Co-payments for all services: More expensive than HIP Plus	Co-payments or POWER account contribution <ul style="list-style-type: none"> Exception: Pregnant women are exempt from cost-sharing
Benefits	<ul style="list-style-type: none"> Employer Plan Benefits 	<ul style="list-style-type: none"> Comprehensive medical benefits incl. maternity Vision & dental benefits Increased service limits Comprehensive drug benefit 	<ul style="list-style-type: none"> Comprehensive medical benefits incl. maternity Lower service limits Limited drug benefit 	<ul style="list-style-type: none"> Comprehensive medical benefits incl. maternity Current Medicaid benefits as required by federal law Enhanced behavioral health services

Ensuring Access for all Medicaid Participants to Improve Outcomes



Maintain Medicare payment rates to support a high-quality provider network in HIP - including higher payments for maternity care to improve birth outcomes

Increase provider reimbursement in the current Medicaid program to ensure access for the most vulnerable Hoosiers - aged, blind, disabled and children

Family Coverage option: Parents can enroll their children in employer –sponsored coverage or Marketplace plans

HIP 2.0 Gateway to Work

- ✓ **All individuals who complete the application for HIP coverage will be connected to job training and job search programs offered by the State of Indiana**

Maintaining Financial Sustainability

**HIP 2.0
will be
sustainable
& will not
increase
taxes for
Hoosiers**

HIP 2.0 will continue to utilize HIP Trust Fund dollars

Indiana hospitals will help support costs to expand HIP 2.0

Waiver specifies HIP 2.0 continuity requires:

- Enhanced federal funding
 - Hospital assessment program approval
-

Hospital Assessment Fee (HAF) Background

- ✓ HAF authorized in 2013
- ✓ Assessed against all licensed acute hospitals and private psych hospitals
- ✓ Designed to increase hospital inpatient and outpatient reimbursement to align with Medicare payments rates
- ✓ State maintains 28.5% of HAF to cover Medicaid costs
- ✓ HAF Board oversees assessment formula
 - 2 Hospital Association Members
 - 2 State Appointees

State & IHA Term Sheet

- ✓ Annual Cigarette Tax Revenues are used first for HIP expansion
- ✓ Starting in 2017, recalculate HAF fund such that State HAF portion is sufficient to cover:
 - Cost of HIP expansion, including all administrative costs with cap
 - Cost of increasing provider reimbursement in current Medicaid program to 75% of Medicare rates.
 - Annual Contribution of \$50M to Medicaid program
 - Divert HCI funding
 - \$12M to HIP Trust Fund & together with current Trust Fund balance assures 1-year of operational costs

Total Cost of HIP Expansion (State and Federal)

	SFY 15	SFY 16	SFY 17	SFY 18	SFY 19	SFY 20	TOTAL
Federal Portion	\$1,596.3	\$2,836.1	\$2,854.2	\$2,949.7	\$3,066.7	\$3,160.4	\$16,463.4
State Portion	\$151.7	\$100.7	\$187.8	\$284.7	\$328.7	\$408.5	\$1,462.1
TOTAL Cost of HIP 2.0	\$1,748.0	\$2,936.8	\$3,042.0	\$3,234.4	\$3,395.4	\$3,568.9	\$17,925.5

HIP 6 -Year State Budget SFY 2015-2021

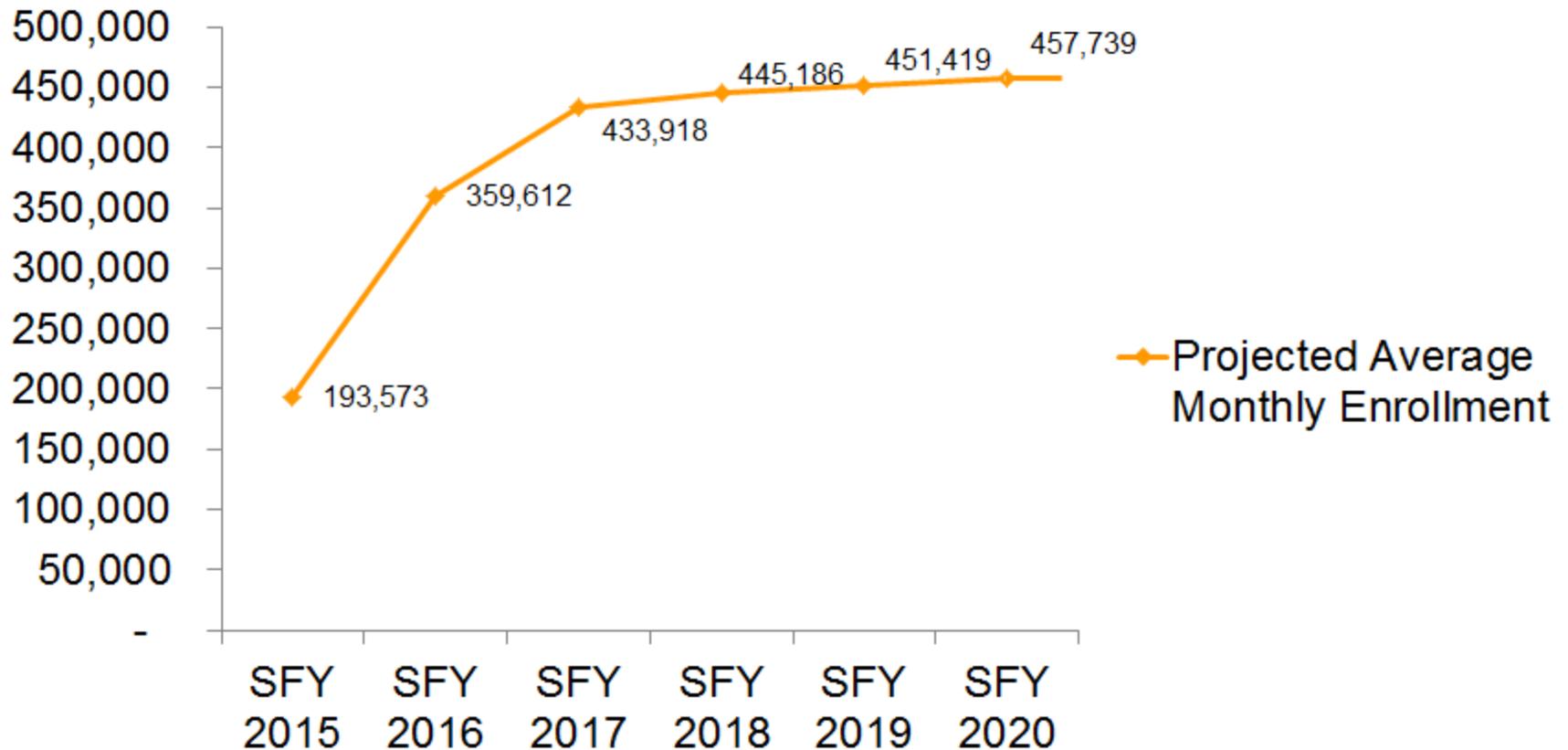
REVENUE	
Cigarette Tax Revenue	\$ 676M
HAF Revenue	\$ 959M
<i>Total Revenue</i>	<i>\$1,635M</i>
COSTS	
HIP Expansion Costs (Admin & Provider Rate Increase in Medicaid)	\$1,462M
Contribution to Medicaid & HIP Trust Fund	\$ 173M
<i>Total Costs</i>	<i>\$1,635M</i>

Current & Projected HAF

	SFY 15	SFY 16	SFY 17	SFY 18	SFY 19	SFY 20	<i>TOTAL</i>
Projected HAF on current program	\$889.4	\$941.4	\$979.2	\$993.0	\$1,046.5	\$1,134.6	\$5,984.1
New HAF	-	-	\$125.2	\$222.1	\$266.1	\$345.9	\$959.3

Projected Average Monthly Enrollment

Projected Average Monthly Enrollment



Next Steps

Post HIP 2.0
waiver for
public
comment

Finalize waiver
based on
public input

Submit waiver
to CMS in
June 2014

Potential HIP
expansion in
2015, based on
timing of
federal
approval